

**CITY OF MOUNTAIN VIEW
MEMORANDUM**

DATE: January 20, 2004

TO: City Council

FROM: David A. Muela, Community Services Director
Lori Topley, Senior Administrative Analyst

SUBJECT: JANUARY 20, 2004 STUDY SESSION—PARKS AND OPEN SPACE
ACQUISITION AND IMPROVEMENTS

INTRODUCTION

The purpose of this study session is to review with the City Council information related to: (1) efforts to acquire open space for miniparks in areas identified by the Parks and Open Space Plan as being in need of additional open space; (2) the funding available to the City through the 2000 and 2002 State Park Bond Acts; (3) Park Land Dedication In-Lieu fees received and committed to parks and open space projects that have not yet been completed. Each of these topics is addressed in this report in the order listed above. Staff will make specific recommendations regarding these issues at future City Council meetings.

PARK AND OPEN SPACE ACQUISITION

The City of Mountain View Parks and Open Space Plan (Plan), last updated and adopted by the Council in December 2001, identifies areas in the City for acquisition and development of parks. These areas were identified based on several criteria as defined in the Plan (Attachment 1). Acquisition of open space in these areas will help to fulfill the primary aim of the Plan, which is to ensure that park and recreational opportunities are evenly available throughout the community. Acquisition is one of five main recommendation areas of the Plan in addition to improvements, preservation, access and trail development.

Currently, the Plan identifies four specific areas of the City in need of park space, listed below in priority order (Attachment 2):

- San Antonio Planning Area—Del Medio Neighborhood.
- San Antonio Planning Area—Ortega Area, North of California Street (bordered by San Antonio Road, Central Expressway, Rengstorff Avenue and California Street).
- Rengstorff Planning Area—Wyandotte/Reinert Neighborhood.
- Central Planning Area—North of California Street (bordered by Escuela Avenue, Central Expressway, Shoreline Boulevard and California Street).

Efforts made to date to acquire open space in these areas and the amount of funding currently available for purchases is discussed below. Efforts are focused on locating appropriate sites for miniparks. In November 1997, the Parks and Recreation Commission adopted preferred guidelines to help identify properties that are suitable for minipark development. The guidelines are:

1. At least one-half acre in size.
2. Undeveloped property.
3. Vacant property if not undeveloped (i.e., unoccupied buildings).
4. Accessible to the public.
5. Adjacent properties that are compatible with open space.
6. Located as close to the center of the planning area and/or deficient neighborhood as possible.

San Antonio Planning Area—Del Medio Neighborhood

Background

The Del Medio neighborhood is bordered by San Antonio Road, El Camino Real, the Palo Alto border and Central Expressway (Attachment 3). The Parks and Open Space Plan has identified this neighborhood as being deficient in open space as far back as 1991. Staff has been involved in a concentrated effort over the last several years to

identify and purchase a site suitable for a minipark in this neighborhood, which is a major City goal. To date, staff has performed an extensive review of properties in the neighborhood, including group staff tours, realtor contacts, detailed investigations of properties with potential as minipark sites and staff analysis and strategy meetings. As a result, staff identified three combinations of properties that would be most suitable as a minipark site. Due to the size of most lots in the target area (0.2 acre) and the minimum ideal size for a minipark (0.5 acre), the basic size criteria can likely only be achieved by purchasing adjacent parcels and combining them. It is also likely that a developed site(s) will need to be purchased as there is currently no vacant land available.

The three different property groupings identified are located at the intersection of Del Medio and Miller Avenues and on Del Medio Avenue near the T-intersection of Fayette Drive. Between March and September 2002, exploratory letters were sent by the City's Real Property Manager (RPM) to the seven owners of these properties. Five owners did not express interest (i.e., they did not respond to the letters.) The separate owners of the two adjacent midblock homes on Del Medio Avenue stated they would consider a sale if the price were right. Appraisals were completed in June 2002 and the information shared with the owners. While they agreed the appraisal evaluations were consistent with market conditions, they indicated they would only be motivated to sell by an above-market transaction approximately \$300,000 more than the appraised value. Staff did not pursue these properties further because neither owner was highly motivated and the asking prices were clearly above market.

Staff also investigated two properties on Fayette Drive but was unable to pursue them because the owners were involved in a legal dispute. Recently, we have made inquiries to the San Francisco Public Utilities Commission regarding the portion of the Hetch-Hetchy Right-of-Way located on the west side of Fayette Drive (Attachment 4). While currently the right-of-way is leased to an adjacent property owner, the lease will expire in 2005. City staff will continue to investigate the long-term potential of securing this property for a minipark. At only 15,840 square feet in size and with a long and narrow shape, this site falls short of the suggested guidelines for a minipark. However, given the limited availability of sites in the area, it is still a viable option.

In addition, staff has had conversations with the City of Palo Alto regarding the possible expansion of Palo Alto's Monroe Park located on the corner of Miller Avenue and Monroe Drive. Should one of the adjacent properties be available for purchase, a joint agreement to expand the park could be explored.

As a result of staff monitoring and assistance from local realtors, the Real Property Manager has, from time to time, located properties for sale in the Del Medio neighborhood, primarily on the portion of Monroe Drive within the Mountain View city limits. However, this area has been determined less desirable due to its noncentralized and "hidden" location in the neighborhood. While the single-family lots along Monroe Drive are large by some standards, at least two to three properties would be needed to approach the ideal minipark size and shape. Properties with more than three to four multi-family units have so far been ruled out due to potential impacts on housing stock and relocation costs.

Funding

Funding available for acquisition in the Del Medio area is as follows:

\$1,737,600	Park Land Dedication In-Lieu fees
\$ <u>250,000</u>	Open Space Acquisition Fund (a subset of the Land Sales Fund)
\$1,987,600	

Next Steps

As described above, staff has completed a park site identification process. The Real Property Manager, Community Services staff and the Community Development Department will continue to work together and with local realtors to actively monitor the area for possible acquisition sites. In addition, there are a number of other steps staff could take to continue the search for a minipark site.

- Continue to pursue the use of the Hetch-Hetchy site on Fayette Drive.
- Recontact the property owners of the three areas of combined properties identified by staff as being most desirable park sites to determine if interest has changed.
- Hold a neighborhood meeting to bring a broader awareness of the search to residents and property owners (some of whom might be interested in selling).

Central Planning Area—North of California Street

Background

This area has been identified deficient in open space since the 1997-98 Plan. It is a neighborhood of mixed small-lot, single-family units and small multi-family developments with a few larger apartment buildings. As with the Del Medio area, it is likely that more than one developed property will be needed to achieve a reasonably sized minipark. Staff has spent some time over the last couple years monitoring this area for possible acquisition sites. Although staff recently investigated a number of properties and spoke seriously with one property owner, nothing promising has turned up.

Funding

Park Land Dedication In-Lieu fees in the amount of \$1,860,000 have been committed by the Council to this project.

Next Steps

The Real Property Manager, Community Services staff and the Community Development Department will continue to work together and with local realtors to monitor the area for possible sites. In addition, staff could research and identify property groupings that best meet the acquisition guidelines for miniparks and contact these property owners to gauge their interest in a sale to the City, similar to the process that was used for the Del Medio neighborhood.

San Antonio Planning Area—Ortega Area, North of California Street

Background

This target area encompasses several neighborhoods from San Antonio Road to Rengstorff Avenue and includes The Crossings and Old Mill developments as well as a mixed area of single-family homes and small apartments. Ortega Avenue runs through the middle of the area. This area was first identified as deficient in the 1997-98 Plan, primarily due to the major thoroughfares isolating it from nearby public parks. To date, staff has not made efforts to identify an acquisition site in this area.

Funding

Eight Hundred Eleven Thousand Five Hundred Dollars (\$811,500) of Park Land Dedication In-Lieu fees (all received from a townhome development on Ortega Avenue) has been committed to this acquisition project by the Council.

Next Steps

At this time, due to the lack of funding currently available for this project, staff is not actively looking for acquisition sites in this area. Should additional funding become available, staff would begin a thorough investigation.

Rengstorff Planning Area—Wyandotte/Reinert Neighborhood

Background

While the Acquisition Map in the Parks and Open Space Plan identifies this acquisition area as being centered at the intersection of Wyandotte and Reinert Streets (Attachment 2), acquisition could take place anywhere within the area bounded by Middlefield Road, the Palo Alto border, Charleston Road and Rengstorff Avenue. However, the City owns a small landscaped lot on the corner of Wyandotte and Reinert Streets and ideally this site would be expanded into a minipark. While the Rengstorff Planning Area has been long been identified as deficient in open space, this specific area was first identified in the most recently adopted 2001 Plan. To date, staff has not made efforts to identify an acquisition site in this area.

Funding

No funding has yet been identified or committed toward acquisition in this area.

Next Steps

At this time, due to the lack of funding currently available for this project, staff is not actively looking for acquisition sites in this area. Should additional funding become available, staff would begin a thorough investigation

STATE PARK BONDS—PROPOSITIONS 12 (2000) AND 40 (2002)

Per Capita Grant Programs

In 2000 and 2002, two park bond acts were approved by voters to provide funding for parks and open space through a variety of programs. Two of the grant programs are per capita based for cities, counties and park and open space districts. A per-capita grant means the funding is provided to the City based simply on population. While there is no competitive process involved, approval of project applications to utilize the grant funds is required by the State. The remainder of the grant programs relevant to Mountain View are competitive.

For each park bond, there are two per-capita grants, with different funding amounts, different project requirements and different deadlines. A total of approximately \$1.42 million is available from these grants, as follows, and further described below:

2000 Per Capita Program	\$ 689,000
2002 Per Capita Program	\$ 315,000
2000 RZH Block Grant	\$ 221,300
2002 RZH Block Grant	<u>\$ 194,000</u>
	\$1,419,300

- **Per-Capita Program.** For the 2000 grant, the amount contracted is \$689,000 and the deadline to complete any projects utilizing this funding is June 2008. For the 2002 grant, the amount available is \$315,000 and the deadline to complete projects is June 2011. The project requirements are fairly general, encompassing acquisition, development, improvement, rehabilitation, restoration, enhancement and interpretation of local parks and recreation land and facilities.
- **Roberti-Z'Berg-Harris Per Capita Block Grant.** For the 2000 grant, the amount contracted is \$221,300 and the deadline to complete projects is June 2009. For the 2002 grant, the amount is \$194,000 and the deadline to complete projects is June 2011. The project requirements are more restrictive than for the general per-capita program in that funds must be used for high-priority projects that satisfy the most urgent needs of the community with emphasis on unmet needs in the most heavily populated and most economically disadvantaged areas. For the 2000 grant only, there is a 30 percent match requirement (equal to \$66,400).

There are two steps required for the City to utilize these funds:

1. Adopt Council resolutions authorizing the City to contract with the State for the grant funds. As part of the resolution, the City certifies that it will be able to provide any necessary operational and maintenance funding for any projects completed with the funds. On February 26, 2002, the Council adopted resolutions for the two grants available through the 2000 Park Bond Act (Proposition 12). The grant contracts were executed by the State in May 2002. Staff will request Council approval of resolutions for the 2002 grants at an upcoming Council meeting. The deadline for State approval of the contracts is June 30, 2006.
2. Submit project applications, meeting State requirements, for the project(s) the City desires to complete. Once approved, the City must complete the projects by the specified deadlines.

Competitive Grants

Staff thoroughly reviewed each competitive grant that was available under the 2000 park bond. However, the criteria for many of the grants require things that, fortunately, do not exist in Mountain View (i.e., severe lack of park land, high unemployment, high percentage of at-risk youth, etc.) Additionally, the grants required that projects meeting these criteria already be well developed. The City did not have any projects fitting these criteria, or that might possibly fit the criteria, that could be forwarded within the grant deadlines. Some similar opportunities have been made available in the 2002 park bond. Competitive grants due to date have not been pursued by staff for similar reasons as stated above. Staff is currently reviewing the remaining competitive grant opportunities.

Next Steps

Authorization to proceed with application submittals for any remaining competitive grant opportunities will be forwarded to Council should a determination be made that City projects would fare well under the final guidelines.

For the per-capita grants, there are several steps that need to be taken to utilize the funding available to Mountain View:

1. Within the next 90 to 120 days, adopt Council resolutions to contract with the State for use of the Per Capita Program and RZH Per Capita Block Grant Funds available under the 2002 bond act.
2. Identify and select specific park and open space projects for the 2000 and 2002 park bond funds.
3. Submit applications for the projects selected to the State for approval. Depending on which grant funds are used, the projects must be completed by 2008, 2009 or 2011.

Project Selection

Staff has developed a preliminary list of projects (Attachment 5) that may fit the eligibility requirements for each of the two grant types (Per Capita Program and RZH Block Grant). These projects are already included in the five-year Capital Improvement Program (CIP) or have been placed on the CIP unscheduled list. One exception is the

Stevens Creek Trail extension project from Yuba Drive to Mountain View High School. As yet, this project is not in the five-year CIP plan; however, it would be eligible for park bond funds. Please note that due to the RZH Block Grant requirement that projects satisfy the most urgent needs in the most heavily populated and most economically disadvantaged areas in the City, the list of projects qualified for this funding is much shorter than that for the more generalized Per Capita Grant Program. There may be other projects that could be on this list and some projects could be removed as each project is compared more closely against the grant criteria.

Staff believes there are several factors involved in selecting projects. First, the priorities set forth in the Parks and Open Space Plan should be considered. Second, available project funding from other sources (primarily CIP or Park Land Dedication In-Lieu fees) should be considered in determining which projects have a higher need for grant funding. Perhaps the most difficult factor is that of long-term maintenance obligations for any newly developed park or open space facilities based on the difficulties of identifying maintenance funding. Information related to funding for parks and open space projects from Park Land Dedication In-Lieu fees is provided in the next section of this report.

PARK LAND DEDICATION IN-LIEU FUNDS

Background

Park land dedication requirements have been in existence since 1971, first in the Subdivision Ordinance and currently as a separate chapter of the Mountain View Municipal Code. All residential developments are required to either dedicate park land or pay a fee in lieu of dedication. The ordinance was last updated in 1997 and a policy establishing a priority for use of in-lieu fees was also adopted at that time (Attachment 6). In-lieu fees are to be used for park and recreation facility projects that serve the residential development from which they came based on the service area standards of the ordinance and the priorities set forth in the policy. The basis for determining the amount of land to be dedicated, or fees to be paid in-lieu of dedication, is to maintain a minimum City-wide ratio of three acres of park land per 1,000 residents. Fees received from development projects have primarily been used for projects located within one mile. The use of interest earned on the fund, however, is not similarly restricted and has generally been used for high-priority projects such as open space acquisition and ADA/safety playground renovations as directed by the Council.

The fees can be used to "purchase land, buy equipment, construct improvements or rehabilitate a proposed or existing...park, recreational facility, Stevens Creek Trail or

community gardening facility." Regular maintenance or other operating costs are not eligible. The fees are committed to park and recreation facility projects by the City Council on an annual basis (usually in January) based on recommendations from the Parks and Recreation Commission. As a result of the slowed economy, the amount of in-lieu fees available for park projects (from both project fees and interest earned on the fund) has been steadily declining as indicated below in Table 1. The table in Attachment 7 indicates the various projects these fees have funded or have been committed to.

Table 1: Summary of In-Lieu Fees Received Since 1996

Fiscal Year	In-Lieu Fees Received
1996-97	\$765,300
1997-98	\$1,738,900
1998-99	\$1,922,000
1999-2000	\$1,554,300
2000-01	\$1,676,300
2001-02	\$1,445,300
2002-03	\$600,000
2003-04*	\$260,600

* Received as of December 31, 2003
And not including interest

In-Lieu Commitments to Future Projects

For a number of years now, the Council has been committing park land dedication in-lieu fees to pending park improvement and acquisition projects. The six projects listed below in Table 2 have received substantial funding and are also candidates for park bond funding that could close the funding gaps identified. The table indicates the estimated project budget (the actual project budgets could vary substantially based on the actual cost of park land acquisition), the amount of funding committed as of June 30, 2002 and the funding gap to complete the project.

Table 2: Projects with Substantial Park Land Dedication In-Lieu Fee Funding

Project	Estimated Project Budget	In-Lieu Fees Committed	Funding Gap
Del Medio Open Space Acquisition	\$2.0 million	\$1.74 million*	\$20,000 or more
Central Area/North of California Acquisition	\$2.0 million	\$1.86 million	\$140,000 or more
Sierra Vista Park Development	\$800,000	\$125,000	\$675,000
Devonshire Park Acquisition and Development	\$500,000 acquisition** \$800,000 development	\$556,000	\$743,500 (or \$244,000 for development only)
San Antonio/Ortega Area Acquisition	\$2.0 million	\$811,500	\$1.2 million or more
Playground Renovations at Various Parks	\$2.0 to \$2.4 million	\$370,800***	\$1.0 to \$1.4 million

* An additional \$250,000 of funding is available from land sale proceeds.

** Acquisition of an adjacent parcel is desirable to eliminate the dog-leg shape of the site but not required for development to proceed.

*** Additional project funding has been used from the CIP. Eight playgrounds have been completed or have funding. There are approximately 13 playground areas remaining to be renovated.

Between July 2002 and June 2003, the City received park land dedication in-lieu fees in the amount of \$219,500 and an additional \$380,400 in interest. Recommendations to commit these fees to park development and/or open space acquisition projects were made by the Parks and Recreation Commission in October 2003 and the City Council is scheduled to review them at the January 27, 2004 meeting. Any additional funding for the projects in Table 2 is subject to the Council's actions at the January 27 meeting; however, the Parks and Recreation Commission recommendations would result in the following additions to project funding:

- Del Medio Acquisition: \$13,000.

- Devonshire Park Development: \$95,000.
- Playground Renovations: \$471,000.

NEXT STEPS

- Staff will continue to actively search for park sites in the Del Medio neighborhood and Central Planning area, as described earlier in this report. Should additional funding become available for acquisition in the Ortega or Wyandotte-Reinert neighborhoods, staff would begin a search in these areas as well.
- Within the next 90 to 120 days, staff will bring to Council for approval the resolutions required by the State to contract for the 2002 Per Capita Grant funds (the City has already entered into contracts with the State for the 2000 Per Capita Grant funds.)
- At the study session, it would be helpful if Council has any preliminary preferences regarding the types of projects park bond grant funds should be used for (see possible list of projects in Attachment 6). Staff would then return with specific project recommendations at a later Council meeting.
- At the regular January 27, 2004 meeting, the Council will be asked to commit the Park Land Dedication In-Lieu fees received during the 2002-03 fiscal year to specific projects. These commitments are usually made no later than January of any given year so they can be considered during the development of the Capital Improvement Program.

SUMMARY

Three topics regarding park and open space issues are addressed in this report. The 2001 Parks and Open Space Plan identifies four areas of the City in need of park space. Efforts to acquire a minipark site in each of these areas has varied, with the most time and attention focused on the Del Medio neighborhood, some resources devoted to the Central Planning area and no significant efforts to date made in the Ortega and Wyandotte-Reinert areas. The funding currently available for each acquisition project varies, but the combined total is approximately \$5 million.

In 2000 and 2002, two park bond acts were approved by voters to provide funding for parks and open space through a variety of programs. For each park bond, there are two per-capita grants with different funding amounts, different project requirements and

different deadlines. A total of approximately \$1.42 million is available from these grants. The project requirements for the use of approximately \$1 million of these funds are fairly general, encompassing acquisition, development, improvement, rehabilitation, restoration, enhancement and interpretation of local parks and recreation land and facilities. For the remaining \$400,000, the project requirements are more restrictive. They must be used for high-priority projects that satisfy the most urgent needs of the community with emphasis on unmet needs in the most heavily populated and most economically disadvantaged areas. There is also a requirement that the City provide matching funds equal to \$66,400.

The next step is for the City to identify and get State approval for the specific park and open space projects that the funds will be used to develop prior to the project completion deadlines.

All residential developments within the City are required to either dedicate park land or pay a fee in lieu of dedication. In-lieu fees are to be used for park and recreation facility projects that serve the residential development from which they came based on the service area standards of the ordinance and the priorities set forth in the policy. For a number of years now, the Council has been committing Park Land Dedication In-Lieu fees to six pending park improvement and acquisition projects, which are also eligible for park bond funds.

PUBLIC NOTICING—Agenda Posting.

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- Attachments:
1. Excerpt from 2001 Parks and Open Space Plan—Planning Area Assessments
 2. Excerpt from 2001 Parks and Open Space Plan—Acquisition Recommendations and Map
 3. Park Acquisition Target Area Del Medio Neighborhood
 4. Hetch-Hetchy Right-of-Way on Fayette Drive
 5. List of Possible Park Projects Eligible for 2000 and 2002 Park Bond Funding
 6. Resolution Establishing a Policy for Prioritizing the Use of Park Land Dedication In-Lieu Fees
 7. Park Land Dedication In-Lieu Fees Applied to CIP Projects

cc: Parks and Recreation Commission

PWD, RPM, POSM